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SUBJECT: ARGENTINA: AMBASSADOR HOSTS BUENOS AIRES MAYOR MACRI AND  
U.S. IT COMPANIES TO DISCUSS TECH PARK

¶1. Summary: On August 8, Ambassador hosted a roundtable for Buenos Aires Mayor Mauricio Macri to present his plans for developing a technological park in the southern suburbs of Buenos Aires. Present at the roundtable were country representatives of major U.S. IT companies IBM, Cognizant, EDS, Hewlett Packard, Intel, AMD, Cisco, Motorola, Nextel, Travelocity, Oracle, and Sun Microsystems. Macri acknowledged challenges for investment in Argentina but stressed his city's determination to press forward. He noted an unprecedented one billion dollars in private investment in the city this year, double the average over the past four years. He also highlighted accomplishments of his 8-month-old administration, including infrastructure improvements, new financing options for SMEs, educational institutions, and public hospitals. End Summary.

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Buenos Aires as the Epicenter of Technology  
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¶2. Mayor and staff presented a proposal for an IT Park in Buenos Aires to facilitate continued high growth and investment in the IT sector. The multi-faceted district, to be located in the Parque Patricios neighborhood on the south side of the city, would be a stimulating high-tech environment for private IT companies, trade associations, and technical universities, where one could work, research, have fun, and live.

¶3. Macri's goal is to make Buenos Aires the epicenter of technology in South America. The park would encompass 200 hectares of publicly accessible space, including office buildings, a government development office and a "clubhouse" to host various activities and serve as a convention/learning center. The presentation stressed that the district is not a "city project," but rather a joint venture with significant private sector participation. The Mayor mentioned the idea of a Presidents Club Table, modeled after IT parks in China and Spain, to facilitate and encourage ongoing company input in the park's development and operation.

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With Incentives, Will They Come?  
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¶4. Draft legislation to create a regulatory framework for the district is currently being reviewed by the City Congress Commissions and is expected to pass by November 2008. Development of the park will be promoted through low rent for participating companies and several tax incentives, including waving taxes on "rubberstamping" and contracting for the companies, a 10-year waiver on city services taxes, a 10-year waiver on gross income taxes, and short-term preferential lines of credit for construction. The benefits of locating in Parque Patricios were also highlighted, including inexpensive real estate and easy access to public transport and to other important areas of the city. Basic infrastructure, including closed buildings and warehouses, is already in place as well.

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Safety, Marketing, and Promotion  
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¶5. The company representatives expressed significant interest in the project, as evidenced by the questions they asked after the presentation. They questioned the Mayor about future security plans for the district. The Mayor and staff said that they were working closely with the federal police to implement a comprehensive security plan, noting that the development of the neighborhood into a high-tech park would inherently improve quality of life and therefore safety in the area.

¶6. Companies also asked whether the City had produced a copy of the plans and presentation in English, so that they may transmit the idea to their U.S. headquarters. Macri responded that an English version would be available by the end of August. The Mayor also asked the Embassy to help organize a trip to the U.S. to present the project in relevant cities for various companies, and to receive feedback from similar ventures in the U.S.

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Comment: Investment Climate Will Bear on Project  
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¶7. Mayor Macri's proposal is ambitious and his team seems well-versed on the development of tech parks, as their presentation was thorough and well thought-out. After the meeting, company officials also seemed genuinely interested in learning more about the project. It will be important to see if the mayor's bill is actually passed by the city legislative by November 2008, and how helpful the national government will be in assisting in the development of this tech park. While the City Government is willing

to offer many incentives for future investors, the current national investment climate could preclude many multinational IT companies from securing the necessary commitments to invest in this tech park.

The Commercial Service is following-up with the Mayor's office on opportunities to assist in the promotion of this idea in the U.S., as requested. End Comment.

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